

Before the  
Federal Communications Commission  
Washington, D.C 20554

In the Matter of	)	
	)	
Wireless Broadband Access Task Force Seeks	)	GN Docket No. 04-163
Comment on Issues Related to Commission's	)	
Broadband Policies	)	

**COMMENTS  
OF THE  
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION**

The National Telecommunications Cooperative Association (NTCA)<sup>1</sup> submits these comments in response to the Wireless Broadband Access Task Force's Public Notice of May 5, 2004 seeking comment on issues related to the Commission's wireless broadband policies.

In the spring of 2004, NTCA surveyed its members on their activities in the areas of providing broadband services and Internet availability to their members/customers.<sup>2</sup> Thirty-two percent of NTCA's member companies responded. The survey results indicated that 92% of survey respondents offer broadband<sup>3</sup> service to some part of their customer base. While NTCA member companies use a variety of technologies to provide

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<sup>1</sup> NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents more than 560 rural rate-of-return regulated telecommunications providers. All of NTCA's members are full service incumbent local exchange carriers (ILECs) and many of its members provide wireless, cable, Internet, satellite and long distance services to their communities. Each member is a "rural telephone company" as defined in the Communications Act of 1934, as amended (Act). NTCA's members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

<sup>2</sup> NTCA 2004 Broadband/Internet Availability Survey Report (May 2004) to be available on NTCA's web site [www.ntca.org](http://www.ntca.org)

<sup>3</sup> For purposes of NTCA's survey, broadband was defined as throughput of 200 kilobits per second (kbps) in one direction.

broadband to their customers, wireless is a popular choice. Twenty-two percent of respondents use unlicensed wireless spectrum to provide broadband and another 5% use licensed wireless spectrum.<sup>4</sup>

The Task Force seeks comment on the extent of broadband in rural and underserved areas. NTCA's survey indicates that the rural telephone companies are doing a great job reaching their customers through the variety of technologies. Respondents indicated that 56 kbps service is available to more than 97% of their customers, while 74% can subscribe to 200 kbps to 500 kbps service. Further, one Mbps is available to 57% of respondents' subscribers and 3 Mbps to 30%.

Take rates in rural areas are still significantly lower than availability. Twenty one percent of respondents' customers subscribes to the 56 kbps service; 8% subscribes to 200 kbps to 500 kbps service; and 2% each to 1 Mbps and 3Mbps service.

On the issue of competition in rural areas, 76% of survey respondents indicated that they face competition in the provision of advanced services from at least one other service provider. The competitors include national ISPs, satellite broadband providers, cable companies and electric utilities.

While the majority of wireless broadband in rural areas is being provided via unlicensed spectrum, NTCA's members have indicated that they would prefer more licensed spectrum. NTCA released the results of a wireless survey in late 2003.<sup>5</sup> Of members with spectrum licenses, 32% were using the spectrum to provide broadband. While many also used unlicensed spectrum to provide wireless service, they indicated that difficulties with interference from other unlicensed spectrum users, a problem that

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<sup>4</sup> Other technologies include DSL, fiber to the home or curb and cable modem.

<sup>5</sup> NTCA 2003 Wireless Survey Report (December 2003), available on NTCA's web site [www.ntca.org](http://www.ntca.org)

will continue to worsen as more and more wireless users try to use a limited available quantity of unlicensed spectrum, make unlicensed spectrum a less attractive alternative.

The Task Force asks about regulatory changes that are needed to increase access in rural and underserved areas. As NTCA pointed out in comments for the CMRS annual report,<sup>6</sup> the Commission should lessen some of the regulatory constraints to make secondary markets a viable alternative for rural carriers. NTCA expressed concern that the Commission's policy requiring licensees to retain secondary responsibility for operations serves as a disincentive for carriers to part with spectrum, as the risk of liability may be too great. In addition, NTCA believes that a long-term lessee should retain some rights if the licensee goes bankrupt. Finally, NTCA requests that the FCC take an active role in enforcing rules against spectrum lessees and be flexible in its dealings with licensees.

NTCA sees secondary spectrum markets not as a "cure" for spectrum shortages in rural America, but as an important tool to be used in conjunction with primary spectrum opportunities. The Commission has an obligation under Section 309(j) of the Telecommunications Act to ensure that rural telephone companies have the opportunity to participate in the provision of spectrum-based services.

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<sup>6</sup> See Comments of NTCA in the Matter of Implementation of Section 6002(b) of Omnibus Budget Reconciliation Act of 1993 Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services, WT 04-111 (filed April 26, 2004).

Congress recognized that rural telephone companies will play a critical role in the provision of wireless services to rural America. The Commission and this Task Force must also recognize that critical role and develop rules and policies that respect and promote the rural carriers.

Respectfully submitted,

NATIONAL TELECOMMUNICATIONS  
COOPERATIVE ASSOCIATION

By: /s/ L. Marie Guillory  
L. Marie Guillory

By: /s/ Jill Canfield  
Jill Canfield

Its Attorneys

4121 Wilson Boulevard, 10<sup>th</sup> Floor  
Arlington, VA 22203  
703-351-2000

June 3, 2004

## CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing Comments of the National Telecommunications Cooperative Association in GN Docket No. 04-163, DA 04-1266 was served on this 3rd day of June 2004 by first-class, U.S. Mail, postage prepaid, to the following persons.

/s/ Gail Malloy

Gail Malloy

Chairman Michael K. Powell  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 8-B201  
Washington, D.C. 20554

Qualex International Portals II  
445 12th Street, SW  
Room CY-B402  
Washington, D.C. 20554

Commissioner Kathleen Q. Abernathy  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 8-B115  
Washington, D.C. 20554

Lauren M. Van Wazer, Associate Chief  
And Special Counsel  
Office of Engineering and Technology  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 7-C257  
Washington, D.C. 20554

Commissioner Kevin J. Martin  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 8-A204  
Washington, D.C. 20554

John Branscome, Legal Advisor  
Wireless Telecommunications Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 3-C227  
Washington, D.C. 20554

Commissioner Michael J. Copps  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 8-A302  
Washington, D.C. 20554

W. Kenneth Ferree, Chief  
Office of Media Relations  
Reference Operations Division  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room CY-A257  
Washington, D.C. 20554

Commissioner Jonathan S. Adelstein  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room 8-C302  
Washington, D.C. 20554